

**00313**

**1974/10/31**

UNCLASSIFIED

Activity MD 978520  
J4/F-MAR-1974 9/25/74

REPRODUCED AT THE NATIONAL ARCHIVES



5/8  
A/Ch/12 to Lewis

Department of State <sup>Copy 8</sup> of 15 copies  
**TELEGRAM**

**SECRET**

Corrected copy: Para 3, line 8,  
word 3 reads region vice reason

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O 310450Z CCT 74  
FM SEC KISSINGER ABOARD SAM86970  
TO ZEN/USLO PEKIN IMMEDIATE NIACI  
INFO RUEHC/SEC STATE/IMMEDIATE

Control: 9084Q  
Recd: Oct 31, 1974  
1:04 AM

BT

S E C R E T / N O D I S

E O 11652 GDS

TAGS: OVIP (KISSINGER, HENRY A.)

SUBJECT: CHINESE INQUIRIES - OIL PRICES

SEC TO 271 REF: PEKING 1893

FOR THE AMBASSADOR BUSH FROM THE SECRETARY

1. CHIAO KUAN-HUA'S INQUIRIES ON THE MIDDLE EAST/OIL  
PRICE SITUATION ARE VERY REVEALING. THEY  
DEMONSTRATE THAT, THEIR PUBLIC BACKING ON THE OIL  
WEAPON NOTWITHSTANDING, THE CHINESE ARE CLEARLY  
CONCERNED ABOUT THE IMPLICATIONS FOR THEM ON AN ECONOMIC  
UNRAVELLING OF THE US, EUROPE AND JAPAN, AND THE  
CONCOMITANT RISE IN RELATIVE SOVIET POWER. THEY ARE  
OBVIOUSLY ALSO WORRIED ABOUT A MIDDLE EAST IMPASSE  
AND A CONSEQUENT REVIVAL OF SOVIET INFLUENCE IN THE  
REGION.

2. IF CHIAO RAISES THESE SUBJECTS AGAIN, YOU  
SHOULD MAKE CLEAR THAT I WILL BE PREPARED TO GO INTO  
THEM IN DEPTH DURING MY FORTHCOMING VISIT.

3. ON THE MIDDLE EAST YOU CAN TELL HIM THAT WE HAVE  
NOT YET RECEIVED A FULL ACCOUNTING OF THE IMPLICATIONS  
OF THE ARAB SUMMIT, THROUGH IT WOULD APPEAR THAT IT HAS  
COMPLICATED OUR EFFORTS. NEVERTHELESS, WE REMAIN  
DETERMINED TO PRESS AHEAD FOR A PEACEFUL SETTLEMENT FOR  
ALL THE REASONS WE HAVE DISCUSSED WITH THE CHINESE.  
YOU MAY CONFIRM FOR HIM CONFIDENTIALLY THAT I WILL BE  
GOING TO THE REGION NOVEMBER 6-9 TO DIGEST THE RESULTS  
OF RABAT AND PLAN NEXT STEPS.

4. ON OIL OUR BASIC STANCE HAS BEEN CLEARLY LAID OUT  
IN MY RECENT SPEECHES AT THE UN AND ELSEWHERE. AS YOU  
AND CHIAO DISCUSSED, THE HARDEST HIT ARE NATIONS  
IN AFRICA AND SOUTH ASIA WHO CAN LEAST AFFORD IT. OIL  
PRICES WILL HAVE TO COME DOWN AT SOME POINT OR THERE WILL  
BE SERIOUS CONSEQUENCES THAT WILL BE IN NO ONE'S INTEREST.  
THE PRESENT SITUATION FAVORS THE RUSSIANS THE MOST.<sup>4</sup>  
WE PLAN TO TAKE SERIOUS CONSERVATION MEASURES AT HOME AND  
ARE WORKING WITH OTHER CONSUMERS ON CONSERVATION, NEW  
SOURCES OF OIL AND ENERGY, AND FINANCIAL MECHANISMS.  
WE LOOK FORWARD TO A COOPERATIVE SOLUTION WITH THE PRODUCERS AS  
CHIAO WISHES, THOUGH

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AMOUNT 118520  
JULY 1974 9:23 9/25/74

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**SECRET**

**TELEGRAM**

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WE THINK THE FRENCH INITIATIVE IS PREMATURE, PP  
5. RE YOUR DISCUSSION WITH THE AUSTRALIAN AMBASSADOR REPORTED  
IN EARLIER MESSAGE, I ASSUME YOU REALIZE THAT YOU SHOULD NOT  
ENCOURAGE ANY INTERMEDIARY ROLE BY ANYONE THERE ON  
CAMBODIA.

6. PLEASE SLUG AS SECRET/NOCIS REPORTS OF CONVERSATIONS  
SUCH AS THE ONE YOU HAD WITH CHAIQ.

KISSINGER

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